

# STAFFORD PAULSWORTH MCGOWAN LLC

## CERTIFIED PUBLIC ACCOUNTANTS

736 LOWER STATE ROAD, BUILDING B  
NORTH WALES, PA 19454

PHONE 215.646.2600 FAX 215.646.7001  
TAX@STAFFPAULCPA.COM | WWW.STAFFPAULCPA.COM

## INCOME TAXES

2023			
If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over
Married Filing Jointly:			
\$0	\$22,000	\$0 + 10%	\$0
22,000	89,450	2,200.00 + 12%	22,000
89,450	190,750	10,294.00 + 22%	89,450
190,750	364,200	32,580.00 + 24%	190,750
364,200	462,500	74,208.00 + 32%	364,200
462,500	693,750	105,664.00 + 35%	462,500
693,750		186,601.50 + 37%	693,750
Married Filing Separately:			
\$0	\$11,000	\$0 + 10%	\$0
11,000	44,725	1,100.00 + 12%	11,000
44,725	95,375	5,147.00 + 22%	44,725
95,375	182,100	16,290.00 + 24%	95,375
182,100	231,250	37,104.00 + 32%	182,100
231,250	346,875	52,832.00 + 35%	231,250
346,875		93,300.75 + 37%	346,875
Head of Household:			
\$0	\$15,700	\$0 + 10%	\$0
15,700	59,850	1,570.00 + 12%	15,700
59,850	95,350	6,868.00 + 22%	59,850
95,350	182,100	14,678.00 + 24%	95,350
182,100	231,250	35,498.00 + 32%	182,100
231,250	578,100	51,226.00 + 35%	231,250
578,100		172,623.50 + 37%	578,100
Single:			
\$0	\$11,000	\$0 + 10%	\$0
11,000	44,725	1,100.00 + 12%	11,000
44,725	95,375	5,147.00 + 22%	44,725
95,375	182,100	16,290.00 + 24%	95,375
182,100	231,250	37,104.00 + 32%	182,100
231,250	578,125	52,832.00 + 35%	231,250
578,125		174,238.25 + 37%	578,125
Estates and Trusts:			
\$0	\$2,900	\$0 + 10%	\$0
2,900	10,550	290.00 + 24%	2,900
10,550	14,450	2,126.00 + 35%	10,550
14,450		3,491.00 + 37%	14,450

2024			
If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over
Married Filing Jointly:			
\$0	\$23,200	\$0 + 10%	\$0
23,200	94,300	2,320.00 + 12%	23,200
94,300	201,050	10,852.00 + 22%	94,300
201,050	383,900	34,337.00 + 24%	201,050
383,900	487,450	78,221.00 + 32%	383,900
487,450	731,200	111,357.00 + 35%	487,450
731,200		196,669.50 + 37%	731,200
Married Filing Separately:			
\$0	\$11,600	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600
47,150	100,525	5,426.00 + 22%	47,150
100,525	191,950	17,168.50 + 24%	100,525
191,950	243,725	39,110.50 + 32%	191,950
243,725	365,600	55,678.50 + 35%	243,725
365,600		98,334.75 + 37%	365,600
Head of Household:			
\$0	\$16,550	\$0 + 10%	\$0
16,550	63,100	1,655.00 + 12%	16,550
63,100	100,500	7,241.00 + 22%	63,100
100,500	191,950	15,469.00 + 24%	100,500
191,950	243,700	37,417.00 + 32%	191,950
243,700	609,350	53,977.00 + 35%	243,700
609,350		181,954.50 + 37%	609,350
Single:			
\$0	\$11,600	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600
47,150	100,525	5,426.00 + 22%	47,150
100,525	191,950	17,168.50 + 24%	100,525
191,950	243,725	39,110.50 + 32%	191,950
243,725	609,350	55,678.50 + 35%	243,725
609,350		183,647.25 + 37%	609,350
Estates and Trusts			
\$0	\$3,100	\$0 + 10%	\$0
3,100	11,150	310.00 + 24%	3,100
11,150	15,200	2,242.00 + 35%	11,150
15,200		3,659.50 + 37%	15,200

## OTHER TAX RATES

Long-Term Capital Gains and Qualified Dividends Tax Rates for Taxpayers with Taxable Income in the Specified Ranges*				
2023	0%		15%	20%
MFJ/SS	\$0 - \$89,250	\$89,251 - \$553,850	over \$553,850	
MFS	\$0 - \$44,625	\$44,626 - \$276,900	over \$276,900	
HoH	\$0 - \$59,750	\$59,751 - \$523,050	over \$523,050	
Single	\$0 - \$44,625	\$44,626 - \$492,300	over \$492,300	
E&T	\$0 - \$3,000	\$3,001 - \$14,650	over \$14,650	
2024	0%		15%	20%
MFJ/SS	\$0 - \$94,050	\$94,051 - \$583,750	over \$583,750	
MFS	\$0 - \$47,025	\$47,026 - \$291,850	over \$291,850	
HoH	\$0 - \$63,000	\$63,001 - \$551,350	over \$551,350	
Single	\$0 - \$47,025	\$47,026 - \$518,900	over \$518,900	
E&T	\$0 - \$3,150	\$3,151 - \$15,450	over \$15,450	
* Short-term gain taxed at ordinary rates. * Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers).				

Kiddie Tax			
• Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$12,500 in 2023 or \$13,000 in 2024 – use Form 8814 with parent's return. • If child files own return – use Form 8615 with child's return to calculate tax at parent's marginal rate.			
	2023	2024	
First	\$1,250	\$1,300	No Tax
Next	\$1,250	\$1,300	Taxed at child's marginal rate
Amount Over	\$2,500	\$2,600	Taxed at parent's marginal rate

AMT Rates for Individuals			
	2023	2024	
	AMTI Threshold		AMT Rate
	2023	2024	
Single, MFJ, HoH	\$0 - \$220,700	\$0 - \$232,600	26%
	\$220,701 or more	\$232,601 or more	28%
MFS	\$0 - \$110,350	\$0 - \$116,300	26%
	\$110,351 or more	\$116,301 or more	28%
	AMT Exemption		
	2023	2024	
Single, HoH	\$81,300	\$85,700	
MFJ, SS	\$126,500	\$133,300	
MFS	\$63,250	\$66,650	

## SOCIAL SECURITY

Maximum Compensation Subject to FICA		
	2023	2024
OASDI Maximum	\$160,200	\$168,600
HI Maximum	No Limit	No Limit
• OASDI tax rate – 2023 & 2024: 12.4% self-employed, 6.2% employees • HI tax rate* – 2023 & 2024: 2.9% self-employed, 1.45% employees * Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers)		
Maximum Amount of Earnings to Still Receive Full Benefits		
	2023	2024
Under full retirement age	\$21,240	\$22,320
MAGI Amounts for Benefits to Be Taxable		
	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single, HOH, MFS Living Apart	\$25,000	\$34,000

## EDUCATION INCENTIVES

<b>Tuition Deduction</b> – “Above-the-line” deduction for qualified tuition and related expenses repealed for tax years after 2020.
<b>Student Loan Interest Deduction</b> – “Above-the-line” deduction up to \$2,500 (2023 and 2024); no time limit on deductibility period; subject to income limitations.
<b>Education Credits</b> – American Opportunity Credit is up to \$2,500 in 2023 and 2024 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid up to \$2,000 per return for 2023 and 2024. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.
<b>Section 529 Plans (Qualified Tuition Programs)</b> – Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$17,000 for 2023; \$18,000 for 2024). Donor can elect to treat up to \$85,000 of the contribution in 2023 (\$90,000 in 2024) as if it had been made ratably over a 5-year period.
<b>Coverdell Education Savings Accounts (Education IRAs)</b> – Contribution limit is \$2,000 in 2023 and 2024; subject to income limitations.

DEDUCTIONS

Standard Deduction			
	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2023	\$27,700	\$1,500
	2024	\$29,200	\$1,550
Married Filing Separately	2023	\$13,850	\$1,500
	2024	\$14,600	\$1,550
Head of Household	2023	\$20,800	\$1,850
	2024	\$21,900	\$1,950
Single	2023	\$13,850	\$1,850
	2024	\$14,600	\$1,950
Phaseout of Itemized Deductions Does Not Apply in 2023 or 2024			
Code Sec. 179 Expense Allowance			
	2023	2024	
Dollar limitation	\$1,160,000	\$1,220,000	
Investment limitation	\$2,890,000	\$3,050,000	
Qualified Business Income Deduction Phase-In Thresholds			
	Taxable Income Phase-In		
	2023	2024	
MFJ	\$364,200 - \$464,200	\$383,900 - \$483,900	
MFS	\$182,100 - \$232,100	\$191,950 - \$241,950	
All Others	\$182,100 - \$232,100	\$191,950 - \$241,950	

ESTATE & GIFT TAXES

	2023	2024
Annual Gift Tax Exclusion	\$17,000	\$18,000
for Noncitizen Spouses	\$175,000	\$185,000
Estate Tax Exclusion	\$12,920,000	\$13,610,000
Applicable Credit	\$5,113,800	\$5,389,800
Gift Tax Exclusion	\$12,920,000	\$13,610,000
Generation-Skipping Transfer Tax Exemption	\$12,920,000	\$13,610,000

CREDITS & EXCLUSIONS

Child Tax Credit		
	2023	2024
Credit Amount	\$2,000	\$2,000
Refundable Amount	\$1,600	\$1,700
\$2,000 credit amount for 2023 and 2024 phases out \$50 for every \$1,000 AGI over \$400,000 (MFJ), \$200,000 (all others)		
Foreign Income		
	2023	2024
Foreign earned income exclusion	\$120,000	\$126,500
Maximum foreign housing exclusion of qualified housing expenses	\$16,800 (\$36,000 - \$19,200)	\$17,710 (\$37,950 - \$20,240)

INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:	
1)	90% of current tax,
2)	100% of prior year's tax, or
3)	110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
• Annualization exception	
• No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year	

IRAs

Contribution Limits - Traditional and Roth				
		2023	2024	
Regular		\$6,500	\$7,000	
Catch-up*		\$1,000	\$1,000	
*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.				
Roth IRAs				
MAGI Phaseout Ranges for Contributions to Roth IRAs		2023	2024	
Married Filing Jointly		\$218,000 – \$228,000	\$230,000 – \$240,000	
Single, Head of Household		\$138,000 – \$153,000	\$146,000 – \$161,000	
Married Filing Separately		\$0 – \$10,000	\$0 – \$10,000	
Traditional IRA Deductibility Rules				
		Modified AGI		
Filing Status	Covered by Qualified Retirement Plan?	2023	2024	Deductibility
Single, HoH	No	Any amount	Any amount	Full deduction
	Yes	\$73,000 or less \$73,001 - \$82,999 \$83,000 or more	\$77,000 or less \$77,001 - \$86,999 \$87,000 or more	Full deduction Partial deduction No deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	\$123,000 or less \$123,001 - \$142,999 \$143,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for covered spouse	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	\$123,000 or less \$123,001 - \$142,999 \$143,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$218,000 or less \$218,001 - \$227,999 \$228,000 or more	\$230,000 or less \$230,001 - \$239,999 \$240,000 or more	Full deduction Partial deduction No deduction
Married Filing Separately*	Neither spouse	Any amount	Any amount	Full deduction
	Either spouse	\$9,999 or less	\$9,999 or less	Partial deduction
		\$10,000 or more	\$10,000 or more	No deduction

\*Shared residence

QUALIFIED PLANS

	2023	2024
Maximum elective deferral to retirement plans [e.g., 401(k), 403(b), 457]	\$22,500	\$23,000
Maximum elective deferral to starter 401(k) plan	N/A	\$6,000
Maximum elective deferral to pension-linked emergency savings account	N/A	\$2,500
Maximum elective deferral to SIMPLE IRAs*	\$15,500	\$16,000
Maximum uniform non-elective contribution to SIMPLE plans	N/A	\$5,000
Limit on annual additions to defined contribution plans or SEPs	\$66,000	\$69,000
Maximum annual compensation taken into account for contributions	\$330,000	\$345,000
Annual benefit limit under defined benefit plans	\$265,000	\$275,000
Threshold amount for definition of highly compensated employee	\$150,000	\$155,000
Threshold amount for definition of key employee in top-heavy plans	\$215,000	\$220,000
Catch-up Contribution Limits**		
401(k), 403(b), SARSEP and 457 plans	\$7,500	\$7,500
SIMPLE IRAs*	\$3,500	\$3,500
Starter 401(k)	N/A	\$1,000
* After 2023, limitation amount increased by 10% for certain smaller SIMPLE plans or employers meeting contribution/ matching requirements.		
** Individuals who will be at least age 50 by the end of the year can make catch-up contributions. After 2025, catch-up contributions for employees with compensation exceeding \$145,000 (as adjusted for inflation) must be to a Roth account.		